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# FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

January 27, 1999  
Docket Nos. ER97-  
1523-000, OA97-470-  
000 and ER97-4234-000

### TRANSMISSION TARIFF, MARKET RATES CONDITIONALLY APPROVED FOR NEW YORK ISO

The Federal Energy Regulatory Commission today moved New York's electric utilities closer to a comprehensive restructuring of the wholesale electric market within their state by conditionally approving the tariffs and rates of their proposed independent system operator(ISO).

In June 1998, the Commission gave the proposed New York ISO approval to proceed with the development of an ISO. Once the ISO is operational, market participants will have access to unbundled transmission services across the systems of all transmission providers in New York State.

Commission Chairman James J. Hoecker said: "I am very pleased that today's action moves the New York ISO closer to operational reality. Although public utility members must still file the necessary corporate applications to transfer control of transmission facilities to the ISO, the efforts of New York policy makers and utility managers to establish an ISO will soon bear fruit. Bulk power markets in the Northeast are becoming largely governed and operated by ISOs and the coming efficiencies will benefit all consumers."

In general, the Commission conditionally accepted the ISO's proposed tariff, market rules and market-based rates.

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Among other elements of the proposal, the Commission:

- directed the applicants to reinstate services, terms and conditions of service of the *pro forma* transmission tariff outlined in Order No. 888.
- accepted the proposed single system rate based on the costs of the transmission provider who delivers the electricity to the customer.
- directed the ISO to file a market monitoring plan that specifies the manner in which the ISO will monitor and detect market power and includes the ISO's proposed mitigation measures.

The Commission spelled out the principles necessary for formation of an ISO in its Open Access Rule--Order No. 888--issued in April 1996. ISOs are designed to ensure comparability of service for users and broaden geographic markets for electric power transactions.

The public utility members of the New York ISO are Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Long Island Lighting Company, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc. and Rochester Gas and Electric Corporation. The non-profit New York Power Authority is also a member.